

FACT SHEET

U.S. Department of Housing and Urban Development ♦ Office of Multifamily Housing Programs

Delivering Technology Access to America's Communities



Owners and Managers Benefit by Opening Neighborhood Networks Centers

For property owners and managers of HUD insured and assisted housing, opening a Neighborhood Networks center is a smart investment!

Starting a Neighborhood Networks center can:

- ♦ Make properties more competitive, which can attract new residents, lower vacancy rates, and stabilize tenancy.
- ♦ Decrease security and upkeep costs by giving residents a greater sense of pride and a greater stake in the overall well-being of the community.
- ♦ Help owners and managers build lasting, mutually beneficial relationships with residents and the local partners that work with the center.

Owners and managers describe how Neighborhood Networks makes a difference:

- ♦ **Enhances marketing and corporate profile.** Jacqueline Jones, director of social services at Interstate Realty Management (IRM) Company in Marlton, New Jersey, says, "As a management company, having a Neighborhood Networks center enhances our ability to market our properties and corporate profile. Centers are a good marketing tool for attracting residents who take pride in their surroundings. For our company, it's the only tool." IRM has 23 Neighborhood Networks centers among its more than 170 properties in 18 states and the Virgin Islands.

- ♦ **Increases self-sufficiency.** CommonBond Communities in St. Paul, Minnesota, a nonprofit owner with 16 Neighborhood Networks centers, moved 156 families from assisted to market-rate housing and 49 families into first-time homeownership.
- ♦ **Reduces security risks.** Some properties have saved thousands of dollars in security costs with the addition of a Neighborhood Networks center. For example, the Rocky Mountain Mutual Housing Association witnessed a remarkable turnaround with the opening of its Joint Activity Center in Denver, Colorado. Vandalism disappeared. Before opening the center, the association had an annual security budget of \$100,000. Now the 626-unit complex has a security budget of \$12,000 per year—an impressive \$88,000 reduction.
- ♦ **Increases a sense of community among residents.** Many residents volunteer to help staff Neighborhood Networks centers and are active in operating and participating in these programs. As such, they are improving the quality of life for themselves and others. According to Sharon Hamilton of Lutheran Social Services (LSS) of Jamestown, New York, having a Neighborhood Networks center on its properties gives residents a feeling of inclusion in the technological world and enhances their quality of life. LSS manages 6 affordable housing developments with 198 senior units.



Neighborhood Networks
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About Neighborhood Networks

Neighborhood Networks' mission is to improve computer access, advance literacy, and create employment opportunities for residents of HUD insured and assisted housing.

Neighborhood Networks encourages resident involvement in the planning and development of self-sustaining centers.

Residents gain access to onsite programs and services that provide job skills, education, and supportive services that foster healthier, more self-sufficient families.

More than 1,200 Neighborhood Networks centers are located at HUD Multifamily Housing properties throughout all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands.



HUD Funds and Other Resources for Developing New Centers

Here are some options for owners and managers:

Chapter 9 of HUD Handbook 4381.5, *The Management Agent Handbook*, describes potential sources of HUD funds for Neighborhood Networks centers:

- ◆ Using the project funds/residual receipts account.
- ◆ Increasing the amount of the owner's initial equity investment in the property.
- ◆ Borrowing from the reserve for replacement account.
- ◆ Requesting an increase under the budgeted rent increase process.
- ◆ Requesting a special adjustment rent increase.

In addition to obtaining help from HUD, owners and managers can find support from the following sources:

- ◆ Other federal, state, and local grants.
- ◆ Foundation grants.
- ◆ Corporate and individual contributions.
- ◆ Fundraising events.
- ◆ User fees.
- ◆ Business development profits.
- ◆ In-kind donations.
- ◆ Partners.

Additional options are available to Neighborhood Networks centers that have 501(c)(3) status.

Planning for a Successful Center

HUD's nationwide, experienced Neighborhood Networks Coordinators are available to assist in developing a center.

Success is grounded in good planning. Develop a business plan based on your vision for the center.

Follow five basic steps to start a Neighborhood Networks center:

- 1. Involve residents in the planning process.** Residents who help plan the center often become invested in its success. Enlist resident participation to organize a steering committee.
- 2. Conduct an assessment.** Have residents identify their educational and employment needs, interests, and talents using interviews and surveys. Residents can also take an inventory of neighborhood institutions that could be center partners and identify additional center resources.
- 3. Design programs.** Using the data collected, the steering committee can make informed decisions about program areas and local partners that best address the group's interests, such as computer classes.
- 4. Identify the center's operational needs.** Determine staff and space needed, computer hardware and software, insurance, furniture, telephone lines, security, and financial requirements. Prepare a budget, including project income and operating expenses.
- 5. Draft a business plan.** Identify financial plans and day-to-day management of the center, including the programs and activities to be offered. The business plan must be submitted to and approved by the local HUD office.

To help Neighborhood Networks centers develop an effective business plan, HUD has created the Strategic Tracking And Reporting Tool (START)—an online business plan development tool.

For additional information about obtaining 501(c)(3) status, locating your nearest coordinator, and using START, contact:

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